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DRAFT Approved For Release 2002/07/29 : CIA-RDP80-01237A000100020005 Annex B to
10 June 1960

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8 July 1960

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MEMORANDUM FOR: Chairman, President's Board of Consultants on Foreign Intelligence Activities

SUBJECT : Estimated Foreign Intelligence Costs for Fiscal Year 1959

1. Attached is the report on estimated foreign intelligence costs for Fiscal Year 1959.
2. The scope of the cost estimates contained in the report covers those United States foreign intelligence activities that are subject to the coordinating authority of the Director of Central Intelligence and to the guidance of the United States Intelligence Board.
3. This report is to serve a purely statistical purpose inasmuch as costs can only be distributed into some of the functional categories by resorting to individual judgments which are subject to varying degrees of interpretation.
4. The cost estimates have been developed on the basis of actual obligations incurred during the fiscal year ending 30 June 1959 and derived from two basic types of cost data:

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Direct Obligations: Those obligations actually incurred by an intelligence command, bureau or element thereof, or any comparable intelligence organization which actually performs the intelligence activity involved and can identify the related obligations. In essence, such obligations are those under the

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direct control of an intelligence organization or an intelligence element of a larger organization.

Indirect Obligations: Those obligations which appear in non-intelligence commands, bureaus, services, or other comparable organizations as a part of their own budget operations, but can be identified as being in support of an intelligence activity, e.g., Research and Development projects performed for foreign intelligence purposes.

Due to the variations in accounting procedures and estimative practices that are present within the Intelligence Community, the reporting members of the USIB have, as pertinent, prepared "Explanatory Notes" to accompany the tabulations covering their estimated costs. Careful attention to these notes is essential to avoid possible misinterpretation of the cost estimates, particularly when one reporting USIB member is compared with another.

5. The methods used by the departments and agencies in computing and reporting the cost estimates have varied; for example:

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6. The detailed figures which were developed and submitted by the participating departments and agencies were reviewed, summarized and incorporated in the attached report by the Cost Estimates Committee of the USIB. Members of the Committee are available to answer questions relative to the estimates submitted by their respective departments and agencies.

7. Arrangements for meetings, if desired, may be made through Edward R. Saunders, Chairman of the Cost Estimates Committee.

ALLEN W. DULLES
Director

Attachment

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Office Memorandum • UNITED STATES GOVERNMENT

TO : (Distribution on Back)

DATE: 15 June 1960

FROM : Chairman, Cost Estimates Committee

SUBJECT: Cost Estimates Committee Report

1. Attached is a copy of the Cost Estimates Committee Report for Fiscal Year 1959 as submitted to the Executive Secretary, USIB. I am informed that copies are being distributed to the USIB members and it is possible that the report will be on the agenda of the USIB meeting to be held on 21 June 1960.

2. The letter to [] mentioned in the report is not attached as a copy was furnished to you at the last meeting of the Committee. 3 1 APR 1960 BY []

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Attachments

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1 - Earl Churchill, State - Cy # 31
1 - Howard E. Ballou, Defense - Cy # 32
1 - Lt. Col. R. C. Lewis, Army - Cy # 33
1 - Captain C. Sugarman, Navy - Cy # 34
1 - Lt. Col. Francis L. Vaughan, Air Force - Cy # 35
1 - Col. R. Park, Jr., Joint Staff - Cy # 36
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